

The Research Review is a publication of the Research Division of the Tennessee House of Representatives

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THE FINANCE COMMITTEE'S BUDGET HEARINGS CONTINUE: NON-RECURRING GRANTS & AFFECTED ORGANIZATIONS HIGHER EDUCATION • MILITARY • TN BUREAU OF INVESTIGATION DEPARTMENT OF SAFETY (summaries begin on page 12)

House Committee Activity: March 11 - 13, 2002



Tuesday, March 12th. The House Finance, Ways & Means Committee sent thirteen bills to Calendar & Rules before beginning its tenth day of budget hearings. Hearings were scheduled for Tuesday, Wednesday and Thursday of this week. Pictured, left to right, are Secretary Cole, Chairman Kisber and Vice Chairman Head.

Agriculture

Ryan Swindell

There were four bills on the calendar to be heard in the full **Agriculture Committee** this week. **SJR504** by Rep. Black, which designates May 2002 as "Jaycees Against Youth Smoking Month," was recommended to Calendar & Rules. **HB2769** by Rep. Kernell, was also recommended to Calendar & Rules. This bill would extend the Tennessee Soybean Promotion Board for six years.

The committee adopted an amendment that places the assessment on soybeans at one cent per bushel. **HB2121** by Rep. Bone, which deals with the labeling of catfish, was recommended to Calendar & Rules. An amendment was adopted to rewrite the bill so that all catfish products sold in the state for human consumption shall be labeled to denote the nation of origin. It further defines "catfish" to mean any species within the family *Ictaluridae* or *Anarchichadidae*.

and would be a violation to use the term with any other species of fish. The Commissioner of Agriculture would enforce the requirements and promulgate any rules and regulations necessary to carry out the provisions of the bill.

HB2882 by Rep. McMillan was rolled one week. This bill has been referred to as the "puppy mill bill."

The **Marketing and Commodities Subcommittee** met with two bills on the calendar.

The **Agriculture Resource and Industry Subcommittee** had no bills on notice and did not meet this week.

Children & Family Affairs

Shannon Romain

The **Children and Family Affairs full committee** met on Tuesday. **HB 2907** was reviewed and referred to Finance, Ways and Means. As amended, the bill specifies the information that must be included on the monthly notice of every child support recipient receiving payments from the central collections and disbursement unit when the payment is received or distributed by the department during the reporting month. It further eliminates certain reporting requirements for employers of obligors. If passed, the legislation will cost the state \$62,700, however the state can expect to draw down \$121,700 in federal matching dollars. Funding for the bill is not allocated in the current appropriations bill, but will probably be designated as an improvement in an amendment to the bill, and placed behind the budget.

The committee also reviewed **HB 2968** by Rep. Bunch. The bill applies to consent orders and will exempt parents who were divorced, prior to the enactment of the parenting plan law, from filing a parenting plan each time they seek a modification to their child support order. It was referred to Calendar and Rules.



Secretary Maddox, Vice Chairman DeBerry, Chairlady Chumney

In the **Family Justice Subcommittee**, the following bills were reviewed and referred to the full committee:

HB 2385 by Rep. Buck, authorizes the court to require anyone, found to have submitted a frivolous or baseless petition for an order of protection, to pay any costs incurred by the intended recipient for defending the petition.

HB 2425 by Rep. Scroggs, removes the requirement that the Shelby County Juvenile Court review actions of the Department of Human Services relative to certain child support services.

HB 2886 by Rep. Scroggs includes half and whole siblings under the definition of "related" for the purposes of adoption.

HB 2887 by Rep. Scroggs permits a juvenile to be committed to the Department of Children's Services for a definite period of time for the rape of another child.

HB 2883 by Rep. Patton restates that the purpose of permanency hearings and available goals under permanency plans for children in the custody of the Department of Children's Services, is to include planned permanent living arrangements instead of permanent foster care and emancipation.

Commerce

Chris McGrew

The **House Commerce Committee** met Tuesday with three bills on the calendar. All three bills were passed out to Calendar & Rules. **HB 3196** by Rep. Fitzhugh would require a cellular service to furnish to its customers an accurate map of its service area, including areas within such service area where there is no service or inadequate signals to support viable communications services. **HB 2953** by Rep. Rinks would stagger the terms of directors for the TRA. **HB 834** by Rep. McDaniel deals with the minimum nonforfeiture regarding annuity payments.

The **Industrial Impact Subcommittee** rolled all six bills on the calendar.

The **Small Business Subcommittee** passed two bills on to full committee. **HB 2592** by Rep. West would require trainers and managers of private protective service companies to have six hours of continuing education. **HB 2241** by Rep. Godsey would exempt special police officers appointed by a chief of police or sheriff in Sullivan County from licensing requirements.

The **Utilities & Banking Subcommittee** moved two bills on to full committee. **HB 3028** by Rep. Kisber would impose sales tax on charges for mobile telecommunication services subject to federal sourcing rules, if the customer's place of primary use is located in Tennessee. **HB 3153** by Rep. Stanley would allow out of state trust institutions to act as a fiduciary in Tennessee if the agreement is reciprocal.



House Commerce Committee members consider legislation.

Conservation & Environment

Greg E. Adkins

The full **Conservation and Environment Committee** met on Wednesday, March 13, 2002 and considered two bills. **HB 2398** by Rep. Rinks authorizes commissioned officers from TDEC to retain their service weapon after twenty-five years of honorable service. The bill passed to Calendar & Rules. **HB 3138** by Rep. Sands passed to C & R as amended. The amended bill would require TDEC to maintain a registry of riparian lands along designated scenic rivers. The program is a permissive program for landowners that want to register. The bill also designates more acreage to natural-scientific areas already in existence. The Committee also listened to several forest resource presentations from the United States Forest Service (John Kelly, John Greis, and Dr. David Wear) and from Dr. Jon Evans from the University of the South. Dr. Evans presented the finding from the "Small Area Assessment Pilot Project" for the Cumberland Plateau. The Forest Service presented statistical information about forest resources throughout the entire state.

The **Environment Subcommittee** met on Tuesday, March 12, 2002 and rolled the only bill on the calendar. **HB 202** by Rep. McCord was rolled one week; the amended bill would fast track EPA regulations by not requiring the new regulations to be reviewed by the Government Operations

committees in the legislature, and give the air pollution control board broader discretion under state law.

Consumer & Employee Affairs

Shannon Romain

The **Consumer and Employee Affairs full committee** met this week. The following bills were reviewed and referred to Calendar and Rules. **HB 2637** permits an employer or an employee to file a claim against the second injury fund. Under present law, if an employee has a previous permanent physical disability and becomes permanently and totally disabled through a subsequent injury, the employee is entitled to compensation from the employer or the employer's insurance company for the disability resulting from the subsequent injury. The previous injury is not considered in calculating amount of compensation to be paid. In addition to that compensation and after the payments are completed, the remainder of the employee's compensation is paid out of a special fund known as the second injury fund. This bill will permit the fund to be enjoined as a defendant in a compensation claim.

HB 2847, as amended, grants self-insured workers compensations groups a 90 day extension for filing audited financial statements with the commissioner of Commerce and Insurance. It also authorizes the department to levy fines of up to \$100 per day for failing to meet the filing requirements. The final bill referred, **HB 2247**, by Rep. Sharp, changes the statutory maternity leave language from "four months" to "seventeen weeks" to comply with the language used in the federal regulations.

The subcommittees did not meet. All bills on the **Consumer Affairs Subcommittee** were rolled one week at the call of the chair. In the **Employee Affairs Subcommittee**, **HB 2276** by Rep. Kisber, requiring the Advisory Council on Worker's Compensation to report to the special joint committee on workers compensation regarding certain matters, and **HB 2909**, the gift certificate bill by Rep. Rinks, were rolled for one week. The bills by Rep. M. Turner, **HB 0285**, prohibiting employers from charging employees a check cashing fee, and **HB 0404**, requiring temporary employment agencies to pay employees and clients fairly were rolled for two weeks.

Education

Jessica Peccolo

The House Education Committee was chaired by Representative Tommie Brown this week during Chairman Winningham's absence due to his mother's hospitalization. Both **HB 2086** and **HB 1706** were rolled for one week.

The following bills were passed to Calendar and Rules:

HB 2779 (Maddox) clarifies that the director of schools has the authority to transfer teachers from one position to a comparable one within the LEA.

HB 1537 (DeBerry, L) which creates a pilot neighborhood school program. In this program, 25% of a participating school's teachers must live within a ten-mile radius of the school. The purpose of the legislation is to create a feeling of community for the school and to enable teachers to have a clear understanding of the environment from which their students come. An amendment was adopted in committee to change the effective date to no later than January 1, 2003. The amendment also removes the mandate of four participating schools and restates it as an option to have up to four schools participate.

HB 2900 (Boyer) changes the mandate that writing assessments must be given in grades 4,7, and 11 in order to comply with the new federal assessment requirements. This bill requires that the writing assessment be given once in each of the following grade divisions: elementary, middle, and high school.

HB 3165 (Davidson) makes changes to the BEST program in order to bring the program under compliance of new federal law. Currently, documentation and a fee are required before benefits can be paid out. This bill removes the documentation and the penalty. It also allows a student who receives another scholarship to transfer his or her benefits to a different tuition plan.

The final bill passed from House Education Committee this week was **HB 2069** (Odom). This bill addresses the changes necessary to the Nashville State Technical Institute in order for it to become a community college in terms of programs, management, and already existing rights and obligations. An amendment adopted in committee renames this institute as *Nashville State Technical Community College*. The amended bill passed to Finance, Ways, and Means. The remainder of the committee was spent hearing a testimony from Carl Johnson, Education Commissioner from Memphis City

Schools. He spoke to the committee about his concerns with Gateway testing.

K-12 Subcommittee

The first bill heard in K-12 Subcommittee this week was **HB 2984** (Ford, S). Comptroller John Morgan spoke to the need for this legislation. Under current law, companies or individuals hired to be project managers for school related construction projects are not prohibited from making bids on those same projects. In some instances this results in construction managers also providing all the work for the project. This bill would make it illegal for construction managers to make a bid for any phase of the project that they are overseeing. An amendment to the bill would make it permissible for a construction manager to make and win a bid after two solicitations for a bid did not result in bringing in any outside bids for the project. Then, and only then, could a construction manager also provide the work on the project. The amendment was adopted, and the bill was passed to full committee.

HB 2650 (Turner, B) allows schools systems to enter into partnerships with local law enforcement agencies to help address truancy problems. Memphis and Knoxville schools are currently using programs of this nature. Knoxville representatives who testified in last week's K-12 subcommittee meeting spoke highly of the success their project has had in lowering the truancy rate in Knox County Schools. After expressing her concerns with the legislation, Chairlady Brown introduced an amendment that would create a study committee to look at the truancy problem before this legislation was enacted. Rep. Ulysses Jones from Memphis asked that the bill be rolled one week while the representatives from Hamilton County worked out their differences. Chairman Winningham then told the committee that because this legislation would make truancy partnerships permissive statewide, the legislation should not be held up or amended to create a study committee. His opinion was that it should be passed and then left up to local systems to decide whether or not they would participate. Thus, any conflicts should be worked out at the local level rather than in the K-12 Subcommittee. The amendment proposed by Dr. Brown failed on a roll call vote of 9 to 4, and then the bill passed to full with a 9 to 4 vote.

Representative Scroggs brought **HB 2901** to the K-12 Subcommittee at the request of the Department of Education. The legislation creates accountability measures for how LEA's spend their extended contract funds. An amendment to the bill says that extended contract funds will be on a hold harmless basis, meaning that LEA's will not receive any less funds than those awarded in the 2002 fiscal budget. Representative Ronnie Davis reminded

committee members that if the DOG budget is passed then there will be no funding for extended contracts as well as many other things. Assuming that funding for extended contracts will be available next year, this bill just assures that the LEA's are held accountable for how the funds are spent. As Representative Scroggs told committee members, it is just to assure that the use of the money best addresses the needs of the students.

HB 2406 (Davis, R) allows county or municipal school systems to elect to convert into a special school district. Representative Davis was quick to point out that this bill is not meant to create any new school districts. Rather, it is designed to allow county commissions to pass the responsibility for setting the taxes collected for schools on to the school board. The bill's sponsor told fellow committee members that if the DOG budget is passed, there may be county commissions who wish to pass that responsibility along to the school board. Representative Ulysses Jones expressed his concern with the legislation, saying that it may create even more of a mess if the budget cuts being discussed are passed. The bill failed in K-12.

HB 2202 (Bunch) and **HB 2205** (Bunch) were both rolled to the last calendar. **HB 2319** (Cooper) was rolled one week because the committee ran out of time to hear the bill in this week's meeting. Representative Briley took **HB 2514** off notice.

Chairman Winningham announced on the floor in Monday night's session that the Education Committee is looking to close down subcommittees in the next several weeks and encouraged members to put any remaining bills on notice.

Higher Education Subcommittee

HB 2639 (Head) was the only bill on calendar this week in the Higher Ed Subcommittee. Currently, any non-resident students living in counties that are contiguous to Tennessee are allowed to attend a Tennessee institute of higher learning without paying out-of-state fees as long as there is not a college or university of their home state within 30 miles of their residence. This bill removes the 30-mile limitation. Thereby, any student living in a contiguous county may attend a Tennessee college or university at in-state cost regardless of the proximity of a school in their resident state. The bill was passed to full committee. Before adjourning Chairman Pinion told committee members that he planned on meeting two more times and then closing the committee.

The Ad Hoc Committee on Charter Schools

Jessica Peccolo

The final scheduled meeting of the **Charter School Ad Hoc Committee** took place on Wednesday, March 6th. Dave Goetz from the Tennessee Association of Business was the first speaker on the agenda. Mr. Goetz spoke briefly of the history of the Tennessee Association of Business's support of charter schools. For the past four years, they have supported charter legislation through formal resolution. Mr. Goetz spoke about his own experience when his children attended a public school here in Nashville. He spoke very positively about the education his children got because of the involvement and support of the parents. The charter legislation, Mr. Goetz believes, is the best way to get more schools to succeed by organizing outside support from parents, businesses and the community. The business community is interested in charter schools for three reasons. First, business owners have children and want them to receive the best possible education. Second, better schools mean a better work force for their businesses in the future. Finally, other businesses and business opportunities will be drawn by the obvious commitment to education that charter schools will represent throughout the communities in this state.

Commissioner Taylor also spoke briefly about the department's support of charter legislation and their willingness to work with legislators and other concerned parties to develop legislation that was agreeable to all involved. Senator Graves expressed a concern that if charter schools were successful and parents of home schooled children began to enroll their children, the state would face a serious funding problem. Last week the committee had requested information on the number of students being home schooled in the state. Claiborne Thorton, the director of an association for home schools, was on hand to answer those questions. Mr. Thorton told the committee that there were approximately 40,000 to 60,000 home schooled children in this state (10,000 to 12,000 families). Committee member and former Tennessee Commissioner of Education, Jane Walters said that the possibility of parents who home school their children wanting to take advantage of charter schools was virtually a non-existent threat. Dr. Walters told the committee that most parents who home school do so for very specific reasons that would not be affected by the availability of charter schools.

After considerable amount of debate as to the direction the committee would now take after hearing the testimonies from the past three weeks, it was decided that the Department should construct new charter legislation and

then ask for feedback from the various interested parties. The committee is scheduled to meet again to discuss the new legislation on Wednesday, March 27, 2002 at 3:00.



The next meeting of the Ad Hoc Committee on Charter Schools is scheduled for March 27th. (File Photo)

Finance, Ways & Means

Cathy Higgins

House Finance, Ways and Means Committee March 12, 2002

The full committee had 13 bills on calendar this week. The following were referred to Calendar and Rules:

HB 2159 (Buck) from Judiciary, clarifies collection of litigation taxes by the clerk of the appellate courts.

HB 2863 (Kisber) establishes guidelines for sale and issuance of state's interest-bearing revenue anticipation notes.

HB 2643 (Bittle) from Conservation and Environment, creates a deer management program within TWRA.

HB 2890 (Sargent) from Commerce establishes regulations for investment advisor representatives under the Tennessee Securities Act.

HB 2668 (Jones, U) from Health and Human Resources increases the additional fine earmarked for the Traumatic Brain Injury (TBI) Fund for driving with an invalid license or for DUI from \$10 to \$15. The bill also adds an additional \$15 fee earmarked for the TBI Fund for adult driving while impaired violations.

HB 2419 (Tindell) from State and Local clarifies that property of an airport located outside the county where the

creating municipality is located shall be and remain in an annexation free zone unless approved by a resolution of the legislative body of the creating municipality.

HB 2895 (McDaniel) from Commerce authorizes the Department of Commerce and Insurance to conduct a survey of persons disenrolled between July 1, 2001 and June 30, 2002, by the TennCare Program. The survey is to determine if these people were able to procure health insurance elsewhere and what actually happens once someone is taken off the roles. The amendment adopted in Finance clarifies that cost of the survey will come from existing TennCare resources.

HB 2961 (Kisber) increases the number of directors on the Tennessee Technology Development Corporation from 17 to 24.

Budget Subcommittee March 13, 2002

Budget Sub had 16 bills on calendar this week. Most of the bills were rolled to future calendars. Referred to full committee:

HB 2867 (Kisber) modifies the penalty that an industrial development corporation pays for filing reports late.

HB 3105 (Tindell) from State and Local permits Knox County to increase from 10% to 20% the penalty on delinquent land taxes which is used to prosecute such cases.

HB 2224 (Arriola) from State and Local deletes the June 30, 2002 repeal date on the additional 1% hotel occupancy tax for metropolitan counties (Davidson County).

SJR 529 (Cole of Carter County) from Transportation names a bridge in Carter County to honor Master Sergeant Jefferson Donald Davis.

HB 2377 (Winningham) from Transportation names a bridge in Jackson County to honor James U. L. Scott.

For a summary of the Finance Committee's Budget Hearings on Non-Recurring Grants From '01-'02 and the Organizations Affected, Higher Education, Military, the Tennessee Bureau of Investigation and the Department of Safety, turn to the special section on page 12.

Government Operations

Ryan Swindell

This week in the **Government Operations Committee** there were sixteen bills on the calendar. A total of thirteen bills were reported out. **HB2317** by Rep. Cooper was rolled for one week. This bill would require vision screening by an ophthalmologist or optometrist for children entering public schools, public preschools, or head start programs. **HB3002** by Rep. Scroggs was also rolled for one week. It would impose an additional annual assessment on insurance companies and HMO's for certain costs related to uninsurables in the TennCare program. This bill would also raise taxes on tobacco and alcoholic beverages and earmark the revenue to TennCare. **HB2747** by Chairman Kernell, which deletes obsolete references to the Tennessee Tollway Authority, was rolled to next week's calendar.

Listed below are the bills that were reported out and the action taken by the committee:



Reps. Todd, Boyer and Odom in Gov't Ops.

HB 2076 by Turner (Dav) – Enacts the "Tennessee Prescription Fair Pricing Act of 2002."
- Reviewed and Referred to **Commerce**

HB 2078 by Turner (Dav) – Enacts the "Senior Citizen Prescription Drug Discount Program Act of 2002."
- Reviewed and Referred to **Commerce**

HB 2089 by Turner (Dav) – Establishes the "Tennessee RX Program" and regulates pricing of prescription drugs.
- Reviewed and Referred to **Commerce** with one amendment. The amendment places a two-year sunrise provision on the Prescription Drug Advisory Commission.

HB 2090 by Turner (Dav) – Enacts the discount card prescription drug cost assistance program for certain senior citizens.
- Reviewed and Referred to **Commerce**

HB 2316 by Cooper B. – Requires reading instruction as a mandatory element of teacher education

curriculum and requires certification of teacher competence in reading instruction.
- Reviewed and Referred to **Education**

HB 1595 by Bittle – Authorizes the Tennessee Wildlife Resources Commission to promulgate rules and regulations to adjust fees for licenses and permits and to establish new licenses and permits together with necessary fees.
- Reviewed and Referred to **Conservation & Environment**

HB 2606 by West – Changes the administration of private protective services from Commissioner of Commerce and Insurance to the Private Protective Services Commission.
- Referred to ad hoc subcommittee

HJR 0598 by Turner (Dav) – Creates a joint committee to study the feasibility of consolidating state boards and commissions.
- Reviewed and Referred to **State & Local**

HB 2502 by Kernell – Requires the Commissioner of Agriculture to develop and implement a fee system for the Division of Forestry's provision of fire protection on privately-owned forest lands; such fees are to be directly assessed against respective private owners of forest land.
- Reviewed and Referred to **Agriculture** with one amendment. The amendment directs the Commissioner of Agriculture, in consultation with the Division of Forestry, to study cost recovery methodologies and report by January 2003.

HB 2741 by Kernell – Extends the Tennessee Film, Entertainment and Music Commission for six years.
- Recommended to **Calendar & Rules**

HB 2749 by Kernell – Places the TennCare Claims Processing Panel into sunset cycle and be reviewed by June 30, 2004.
- Recommended to **Calendar & Rules**

HB 2751 by Kernell – Extends the TN Housing Development Authority, Board of Directors, for six years.
- Recommended to **Calendar & Rules**

HB 2721 by Kernell – Extends the Higher Education and Technical Institutions Publication Committee for

six years; deletes the Commissioner of Education as a member of the committee.
- Recommended to **Education**

Health & Human Resources

Judy Narramore

The **Health & Human Resources Committee** met Tuesday at noon to consider eight pieces of legislation. **HB 1736** by Rep. West makes changes to existing statute concerning TDEC inspection and regulation of x-ray machines. The committee reconsidered its actions on adopting Committee Amendments 1 and 2, adopted Committee Amendment 3, and referred the bill as amended to FW&M. As amended, HB 1736 requires x-ray machines registered with TDEC to be inspected by a qualified individual within the time requirements of the Department and further requires that the written report of the inspection be filed within 60 days of the inspection. Rep. Maddox brought an amendment to **HB 2064** (exemption from the home health licensure law for certain community agencies) that rewrites the bill. The amendment requires the Department of Health to license agencies providing "professional support services," which is defined as nursing care and physical, occupational, or speech therapy services provided to the developmentally disabled pursuant to a contract with the Department of Mental Health and Developmental Disabilities. Home care organizations providing professional support services would not be required to be licensed as a home health agency but would be licensed by, and pay an annual fee to, the Department of Health. The committee adopted the amendment and then rolled the bill one week to allow members time to review the amendment. **HB 2271** by Rep. Bowers as amended, which would create a public health emergency advisory committee and a hospital bio-preparedness planning committee, was referred to C&R. These committees would be charged with developing a comprehensive, statewide plan of preparation and response relative to acts of bioterrorism, infectious disease outbreaks, and other public health emergencies. **HB 2339** by Rep. Bowers as amended, concerning natural hair stylists supervision and practice, was referred to FW&M. **HB 3015** by Rep. Kisber as amended, which would require the Commission on Aging to initiate an outreach program, within available resources, to provide Medicare-eligible Tennesseans information and education relative to obtaining prescription drugs at a discounted cost and

obtaining prescription drugs through programs based on income, was referred to FW&M. **HJR 0685** by Rep. Garrett was rolled one week at the sponsor's request. The remaining bills on calendar were rolled one week for consideration of amendatory language: **HB 2272** by Rep. Bowers (mobile MRIs) and **HB 2479** by Rep. Patton (student loan payback).

The **Human Services & Mental Health Subcommittee** met Tuesday afternoon with three bills on the calendar. Chairman Ferguson announced that the final meeting of the subcommittee would be on March 26, 2002. **HB 2911** by Rep. Overbey, which would extend the expiration date of the exception to the definition of home health services for care rendered by community agencies for the developmentally disabled, was referred to full committee. The remaining bills on calendar, **HB 3043** by Rep. Shepard (utilization review) and **HB 3134** by Rep. Stanley (mental health and developmental disabilities), were rolled one week.

The **Health Access Subcommittee** met Wednesday morning with six bills on notice. **HB 2533** by Rep. Black concerning child care ratios was moved to the daycare study committee chaired by Rep. L. DeBerry. The committee heard testimony from one representative that supports and one that opposes lowering the ratios. Rep. Black's amendment that rewrites the bill to delay the enacting dates for lowered ratios for three, four, and five year olds and school age children was discussed but not adopted. **HB 2450** by Rep. Shepard, which would create a controlled substance database advisory committee, was referred to the Government Operations Committee for review. **HB 2372** by Rep. Hood, which permits for-profit hospitals to hold off-site health screenings, was referred to full committee. The remaining bills on calendar, **HB 2833** by Rep. S. Jones (podiatrist's scope of practice), **HB 2624** by Rep. Arriola (pilot project for home and community based services), and **HB 2433** by Rep. Whitson (revenues for traumatic brain injury fund), were rolled by the respective sponsors.

The **Health Subcommittee** had 10 bills on its calendar Wednesday morning. **HB 3187** by Rep. Ferguson as amended, which would authorize certain dentists to provide anesthesiology services, was referred to full committee. Rep. Odom was recognized on four bills: **HB 2429** concerning advance practice nurses, **HB 2841** concerning reflexology, and **HB 2980** and **HB 2981** concerning chiropractor's scope of practice. Rep. Odom discussed the bills, offered amendments that rewrite **HB 2429**, **HB 2841**, and **HB 2980**, and then rolled the bills one week for further consideration of the proposed amendments. Rep. Overbey took **HB 2495** (methadone

service areas) off notice. The remainder of the calendar was rolled one week.

Judiciary

Paige Edwards

On Tuesday, the **DUI Subcommittee** met to consider four bills. HB 2669 by Representative Jones (Shelby), HB 3032 by Representative Maddox, and HB 3189 by Representative Hargrove were rolled for one week. HB 3181 by Representative J. DeBerry was taken off notice. The **DUI Subcommittee** will hold its final meeting on Tuesday, March 19, 2002.

On Wednesday, the **Judicial Administration Subcommittee** met to consider four bills. HB 2389 by Representative Bunch, HB 1883 by Representative Towns, HB 2888 by Representative Scroggs, and HB 2613 by Representative West were rolled for one week. The final meeting for the **Judicial Administration Subcommittee** will be held on Wednesday, March 20, 2002.

On Wednesday, the **Criminal Procedure & Practice Subcommittee** did not meet for lack of a quorum. All bills on the Criminal Procedure & Practice Subcommittee Calendar were rolled for one week. The **Criminal Procedure & Practice Subcommittee** plans to conclude its business at the end of March.

On Wednesday, the **Judiciary Committee** met to consider 20 bills. HB 2392 by Representative Bunch and HB 1638 by Representative Bowers were rolled for two weeks. The following nine bills were rolled for one week: HB 2652 by Representative Turner (Hamilton), HB 1876 by Representative Towns, HB 2913 by Representative Whitson, HB 2885 by Representative Ford, HB 560 by Representative Boyer, HB 2573 by Representative Buck, HB 2574 by Representative Buck, HB 2575 by Representative Buck, and HB 2576 by Representative Buck.

The following six bills were sent to **Calendar & Rules**:

- **HB 2653** by Representative Turner (Hamilton) requires offenders, who have been convicted of solicitation of a minor, to register under the Sexual Offender Registration and Monitoring Act.
- **HB 3149** by Representative Givens establishes that the department of revenue and the Attorney General

would share confidential information relating to the Tobacco Manufacturers' Escrow Fund Act.

- **HB 2928** by Representative Bone, as amended, defines a poultry production house as any place or premises where chickens are kept for the production of eggs or broilers for resale to processors, wholesalers, or retailers. Under present law, egg production houses do not include broilers. Also, this bill adds "appearance" of a feedlot, dairy farm, or poultry production house to the conditions that would not constitute grounds for a nuisance action or proceeding. This bill was adopted, as amended, in the Senate on March 4, 2002.
- **HB 2351** by Representative Givens, as amended, clarifies the present law that provides the rebuttable presumption that a farm or farm operation is not a public nuisance. Also, this bill creates the rebuttable presumption that a new type of farm operation is not a public or private nuisance. This bill defines a new type of farm operation as a farm operation that is materially different in character and nature from previous farming operations and is initiated subsequent to the date that the person alleging the nuisance becomes the owner or lessee of the land.
- **HB 2505** by Representative Turner (Davidson), as amended, authorizes an individual, who renders emergency care as a good samaritan under the good samaritan statute, to request an evaluation for exposure to potentially life-threatening airborne or bloodborne diseases.
- **HB 2219** by Representative Dunn allows petitioners seeking review of a final decision made by the Department of Human Services or the Department of Children's Services to file in the county of the commissioner's official residence or in the county in which at least one petitioner resides. The petition would be filed in the appropriate chancery court. Under present law, review is limited to final decisions made by the Department of Human Services. The intent of this bill is to rectify an oversight in the present law.

The following three bills were sent to **Finance, Ways, & Means**:

- **HB 2542** by Representative Patton adds an additional \$5.00 fine for DUI convictions that would be appropriated to the impaired drivers trust fund.
- **HB 2918** by Representative Brooks, as amended, gives the trial judge sole discretion in making a determination to sequester jurors in any criminal prosecution, except for those cases that involve the rendering of a death sentence.
- **HJR 693** by Representative Sands proposes an amendment to the Tennessee Constitution to require

the General Assembly to prescribe the maximum fine that may be assessed without a jury. The 101st General Assembly adopted SJR 629 relative to the General Assembly's power to prescribe the maximum fine that may be assessed without a jury. HJR 693 must pass with a two-thirds vote in each house. In effect, the resolution would require a vote at the 2002 regular November election.

State & Local Government

Lawrence Hall, Jr.

The **State and Local Government** full committee heard **HJR 672**, by Rep. Bowers. This resolution creates a council to study hepatitis in state prisons and possible prevention for forms A, B, and C. This bill was passed to Calendar and Rules. **HB 3131**, by Rep. Ridgeway passed to Finance, Ways, and Means. This bill makes property tax relief available to disabled veterans who are declared legally blind rather than totally blind by the U.S. Veterans Administration. **HB 2371**, by Rep. U. Jones passed to Finance, Ways, and Means. This bill allows the sale of registered voter lists by the coordinator of elections, with the proceeds to be allocated to the "voting machine loan fund". **HB 2776** by Rep. Odom eliminates the \$0.75 state surcharge on municipal solid waste that is released to a transfer station that operates independent of a convenience center. This bill passed to Calendar and Rules.

State Government Subcommittee passed two bills to full committee, **HB 2992**, by Rep. Head and **HB 2871**, by Rep. Kisber. **HB 2992** places in the code the requirement that the minimum state contribution to the state employees' health insurance be 80% of the premium rather than 60%. The state currently pays 80%; this bill simply makes it law. **HB 2871** increases the amount of a business investment that certain public officials are required to disclose from \$5,000 to \$10,000.

Local Government Subcommittee passed **HB 2564**, by Rep. Larry Turner of Shelby County to the full committee. This bill requires TACIR to monitor the implementation of the growth planning laws and to report back to the General Assembly its findings along with any recommendations. **HB 3010** by Rep. Ariola went to the full committee. It expands property tax exemptions to include properties financed under the "McKinney-Vento Homeless Assistance Act and HOME Investment Partnerships Program". This program provides housing and assistance for low-income elderly and/or handicapped persons. This bill further

requires that the housing provided by nonprofits be permanent housing in order to receive the tax relief. **HB 2853**, by Rep. Jones, passed to full committee. This bill allows alcoholic beverage retailers to store open or damaged products to return to wholesalers. This bill also allows retailers to serve samples of alcoholic beverages on the premises for the purpose of conducting sales demonstrations.



Rep. Jim Vincent and Rep. Mark Goins confer during a House State and Local Government Committee meeting

Elections Subcommittee sent **HB 3103** by Rep. Kisber to the full committee. This bill will allow a candidate to provide in his or her will where the unexpended balance of their campaign contributions are to be allocated.

Transportation

Greg E. Adkins

The full **Transportation Committee** met on Wednesday, March 13, 2002. The committee considered five bills. **HB 2956** by Rep. Rinks passed to C & R. The bill would allow the Commissioner of the Department of Safety to issue a certificate of self-insurance to recognized religious sects, if the members of that sect or division had twenty-five automobiles or more. Rep. Pruitt passed the following two sign bills: (1) **HB 2519** passed to FW&M as amended. It creates the "Robert E. Lillard Memorial Highway" sign subject to local funding. (2) **HB 3161** by Rep. Pruitt passed to FW&M as amended; the bill creates the "Candace Ripp Memorial Parkway" sign subject to local funding. **HB 2656** by Rep. Winningham passed to FW&M. The bill authorized the issuance of a new specialty license plate for the "Friends of Big South Fork National River and Recreation Area." **HB 2649** by Rep. Langster passed to FW&M. The bill authorized the issuance of a new specialty license plate for the "Vanderbilt Children's Hospital."

The **Public Transportation & Highways Subcommittee** met on Tuesday, March 12, 2002 and considered five bills.

HB 2917 by Rep. Ford passed to full committee. The bill requires that the owner of a utility that is installing, relocating, or adjusting shall conduct and report monthly progress reports to TDOT. The following three sign bills passed to FW&M:

1. **HB 2535** by Rep. Fitzhugh--"Tina Turner Highway" Sign in Haywood County.
2. **HB 3078** by Rep. Fitzhugh--"Dr. M.B. Feemster Memorial Bridge" sign in Fayette County.
3. **SJR 520** by Rep. Shepard--"Kenneth N. 'Pete' Springer Highway" sign in Hickman County.

The **Transportation and Safety Planning Subcommittee** met on Wednesday, March 13, 2002 and considered ten bills. (HB 2915 was rolled one week.)

• **HB 532** by Rep. Ridgeway passed to full committee. As amended; the bill enacts the "Passenger Contract Carrier Safety Act of 2001" which mandates safety measures for passenger contract carriers. These safety measures include physical health tests, drug testing, and limited hours an employee can drive.

• **HB 3041** by Rep. Beavers passed to full committee. The bill repeals the mandatory motorcycle helmet for individuals over the age of 21 and redefines "crash helmet."

• **HB 2693** by Rep. Head was rolled one week. The bill increases the height limit for manufactured homes being transported. The bill also increases the special permit period from six days to twelve months for the movement of manufactured homes.

• **HB 2916** by Rep. Newton passed to full committee as amended. The amended bill mandates traffic rules will not apply to road workers on right-of-way adjacent to highways, but a driver of a motor vehicle or equipment is still responsible to drive with due regard for the safety of all persons.

• **HB 2360** by Rep. Curtiss passed to full committee as amended. The amended version of the bill mandates that the state-aid highway funds cannot be cut further than the percentage of the gas tax collections.

• **HB 586** by Rep. Patton did not advance to full committee due to a lack of a second. The bill required that a driver passing on left shall move to right after passing or be fined.

• **HB 2539** by Rep. Ridgeway passed to the full committee. The bill regulates "electric personal assistive mobility devices" commonly known as human transporters. These are self-balancing; two non-tandem wheeled devices that transport one person. All of the rules of the road would apply, and local governments can impose regulations within those local jurisdictions.

• **HB 2816** by Rep. Whitson was rolled one week; the bill requires that a person for hire, who transports more than fifteen passengers less than two miles to major scheduled events, have \$1 million in liability insurance.

• **HB 2644** by Rep. Bittle passed to full committee. The bill would re-allocate 90% of the proceeds that come from the Sportsman new specialty earmarked license plate to the Sportsmen's Wildlife Foundation, and 10% to the highway fund. This is different from the statutory required proportion.

Budget Hearings
House Finance, Ways & Means Committee

Non-Recurring Grants From 01-02 & Affected Organizations - March 5th

Higher Education - March 6th

Department of the Military - March 7th

TN Bureau of Investigation - March 7th

Department of Safety - March 7, 2002

Non-Recurring Grants From '01-'02 and Affected Organizations

Tuesday, March 5, 2002

Cathy Higgins

After the full committee calendar was completed on March 5, 2002, members of the House Finance Committee heard presentations regarding the impact of grants that were changed to non-recurring expenditures during last year's budget process. Due to time constraints, not all presenters were able to comment on the impact of not receiving these funds. **Below is a brief summary of the grants impacted, amount of grant, and comments made by presenters.**

Science Alliance grants (\$750,000) are distributed to five museums across the state - Cumberland Science Museum, Pink Palace, Creative Discovery, East Tennessee Discovery Museum, Hands-on-Regional Museum. They provide a hands-on instruction and education for children. As many as 279,000 students are served by the museums. If this funding is cut programs for students and staff will have to be eliminated.

Public TV's mission is to serve the education needs of citizens - children and adults alike. Programming is offered to serve classroom needs and the general education of the public. Public TV receives \$3.2 million from the state; this amount has not changed since the mid-1980s. Funding is distributed to six stations across the state. State revenue represents anywhere from 10 to 42% of funding for these stations and is critical in drawing federal dollars. Private contributions are around \$7.5 million per year. If this source of funding is cut, stations in Martin and Cookeville may close. Another negative impact is that the lack of state funds can jeopardize the federal mandate to convert their transmission facilities from analog to digital format by May 2003.

K-12 School Safety grants (\$5,600,000) is essential to providing school safety programs. Funding is used to develop violence prevention programs, train students on conflict resolutions and peer mediation. Funding is also used to hire safety resource officers in area schools. If funding is not received staff and programs may have to be reduced.

K-12 Performance Incentive grants (\$500,000) is the only funding available to reward schools that perform well against established standards. These standards are recommended by the Commissioner of Education and set by the State Board of Education.

Tennessee Association of School Boards grant (\$150,000) is used to provide training for its board members. This reduction will force the Department of Education to pick-up the cost and reduce the amount used to train teachers.

Extended Contract (\$2,800,000). Ten percent of the extended contract portion of the career ladder was changed to nonrecurring. Extended contract dollars are used to help students with remedial instruction, student at risk of dropping out, before-and-after school programs, and enrichment programs for gifted students. Teachers receive a salary supplement if they participate in the extended contract program. The Department of Education advised that there have not been any reductions this year; however, they have cautioned participants that no one knows how the year will end, and that fourth quarter payments may not be forthcoming due to budget constraints. (Note: Section 54 of the 2002-03 Appropriation Bill specifies that grantees receiving fourth quarter payments are contingent upon the availability of revenue.)

Governor's School grants (\$1,500,000) provide high school juniors and seniors the opportunity to attend summer programs at state universities. The program is geared toward the gifted students in humanities, arts and manufacturing. Interested students are required to apply and/or audition, depending on the type of school. The Governor's School program began in 1985, and is one of the leading programs in the nation. A recent survey showed that 60 to 75% of the participants stay in Tennessee to go college.

Public Library grants (\$1,532,000) are distributed to the four metro libraries and services in local archives. Funding is used for materials and to provide services to the citizens. For example, the Nashville Public Library provides a program for the hearing-impaired that benefits several citizens throughout the State.

Policy Pay Supplement grants (\$6,642,000) are a salary supplement for local police officers who complete during each calendar year an in-service training course of at least 40 hours. Police officers are eligible for the salary supplement upon successful completion of the in-serving training. Local governments, especially the smaller ones, cannot absorb the cost of providing the salary supplement.

Tennessee Association of Rescue Squads grants (\$78,300) are distributed to the association to maintain units across the state for assistance during times of emergencies - man-made and natural disasters. Currently, there are 115 units with 5,000 members, and an additional 80 associate member units that participate in training and mutual aid resources for the citizens of Tennessee. When the Department of Health could no longer fund the Vehicle Extraction program, the Association's volunteers assumed the responsibility to provide training to the emergency services across the state.

Dismas grant (\$150,000) is used for the operation of the Dismas, which is a private, not-for-private entity and operates the only statewide post-prison housing in the state. There are four locations - Knoxville, Cookeville, Nashville and Memphis. Dismas works with individuals who are still in prison, through their re-integration into society. Their studies show that 65% of the individuals served will still be out of prison three years later. For every \$1 spent on Dismas, the State saves \$20 on re-incarceration expense.

Project Return grant (\$200,000) is used to rehabilitate Tennessee's prison population and is a non-profit organization. Project Return serves the Davidson County area and surrounding counties and provides referral services statewide. The program provides workshops, exercises, job placement services and follow-up services for ex-offenders to help them become self-sufficient. During the 2000 calendar year, it provided assistance to 1,760 clients.

The mission of the **Child Advocacy Centers** (\$550,000) is to combat child abuse by providing a safe and comfortable place for children. There are 11 centers across the state. The centers are community organized and help to coordinate the efforts of the Department of Children's staff, local law enforcement, and district attorneys in the investigation and prosecution of child abuse cases. If the centers do not receive this grant, three centers may have to be closed and staff reduced.

Juvenile Court Supplement grants (\$950,000) are administered by the Tennessee Commission on Children and Youth so that each county's juvenile court will have at least one part-time youth services officer. Each county receives \$10,000, and in some cases it is the entire salary of the youth service officer. Without funding some of these positions may be eliminated. The Juvenile Court officer is the first person a juvenile encounters when entering the Court. Among other duties, the officers ensure that the court orders regarding juveniles are enforced. According to information supplied by the TN Commission on Children and Youth, a loss of the state supplement could jeopardize Tennessee's ability to maintain compliance with the Federal Juvenile Justice and Delinquency Prevention Act, and eligibility for \$1.4 million in federal funds.

Higher Education

Wednesday, March 6, 2002

Jessica Peccolo

On Wednesday, March 6, representatives from the Tennessee Higher Education Commission, the Tennessee Student Assistance Corporation, the University of Tennessee, and the Tennessee Board of Regents all gave presentations to the House Budget Committee. Dr. Rich Rhoda of THEC was the first to speak. Dr. Rhoda spoke briefly about last year's tuition increases of 15% in Tennessee public colleges and universities, compared to a national average 4% increase. Because of similar large tuition increases over the past several years, Tennessee schools are no longer considered "low cost institutions." Tennessee is also falling behind in faculty salaries, thus having a hard time retaining quality professors and filling vacancies. Dr. Rhoda told committee members that one in five professors in the four-year universities and colleges were adjunct, while 40% in the two-year institutions fell in the same category. When questioned about how the proposed Downsizing of Government Services (DOG) budget would affect THEC specifically, Dr. Rhoda gave three specific areas that would be cut.

1. Contract Education- The program, in which students seeking a specific degree not offered by a public institute in Tennessee receives aid from THEC to attend a private TN school, would be dissolved if a cut in funding had to be sustained.

2. THEC Grants- No longer would state employees, teachers, or their children be eligible for tuition discounts to a TN public institute of higher education.

3. Center of Excellence- The director positions for the Centers of Excellence would have to be eliminated. All of these cuts would have the effect of further restricting access to higher education in Tennessee.

Mr. Ron Gamble of TSAC began his presentation by telling legislators that the Tennessee Student Assistance Award Program helped support 22,628 needy students in the 2000-2001 academic year. In the current academic year Mr. Gamble anticipates that number increasing to over 26,500. Even so, due to the ever-growing number of applications each year, 5894 eligible applicants were turned down just this year. TSAC's proposed budget requests funds to increase the number of students served and to help cover the anticipated tuition increase in Tennessee colleges and universities.

The Tennessee Teaching Scholars Program encourages talented students to enter the teaching profession. TSAC pays for the cost of tuition for those students in exchange for their commitment to work in a Tennessee public K-12 school for an equal number of years. TSAC is asking to raise the award from \$3900 to \$4200 in order to keep the scholarship substantial in light of tuition increases. While there are 300 applicants on average each year, only 180 awards are given out annually. Both of these requests are included in the Governor's budget.

Another program operated by TSAC is the Ned McWherter Scholars Program. TSAC is requesting an additional \$800,000 (not included in the Governor's Budget) to be placed in the endowment. This program is targeted to attract

Tennessee's best and brightest students to remain in Tennessee to continue their education after high school. Fifty awards are given each year, with applicants being selected out of a pool of over 700. Due to a reduction in interest earnings, TSAC may have to reduce that number to 45 recipients unless more funding is provided. A direct recurring appropriation of \$30,000 would enable TSAC to maintain the current level of student recipients.

Finance Chairman Matt Kisber asked both President Emerson Fly of the University of Tennessee and Dr. Charles Manning of the Tennessee Board of Regents to address three main issues in their presentations:

1. An overview of their budget request for 2002-2003;
2. The difficulties faced due to lack of funding;
3. A measure of accomplishments in achieving their institutions' missions.

President Fly of the **University of Tennessee** spoke first. The Governor's budget proposal reflects UT's priorities for the next year. It includes \$14,617,800 to help address departmental operating expenses and salary increases for faculty (3.5% - supplemented with a special \$10 million fund to be shared with TBR). A second installment of the promised \$30 million in research initiative funding is slated for UT in the budget as well. The two major building projects to be funded in this year's budget are the renovation and expansion of the Glocker Business Administration Building in Knoxville and the construction of the first ever building dedicated solely to the College of Pharmacy in Memphis. An additional \$6,000,000 is allotted for equipment and technology improvements. President Fly told committee members that these investments would be a notable step towards helping UT recover from a long-term lack of funding. More importantly said Fly, these funds would help restore the faith of UT faculty, staff, and students.

Why does UT need more funding for faculty salaries? President Fly testified that the ongoing exodus of faculty is one of the biggest challenges that UT faces. In the past two years, the Health Science Center has lost 125 faculty members and currently has a 10% position vacancy. Fly said that the people leaving are the best and brightest UT has. The assistant and associate professors on whom UT depends for the future quality of instruction and research are losing faith that they will have the resources they need to be successful and are leaving for other schools. With many of these professors go the research grants that UT is dependent upon for funding. In order to become once again competitive with peer institutions, UT needs funds to give an average of a 6% increase in each of the next two years, with another 3% annually for the three years after that.

The Glocker Business Administration Building (\$24.3 million) and the new building for the School of Pharmacy (\$32.9 million) are the top priority for UT. Most of the other recommended projects are described by UT officials as necessary to bring outdated facilities up to standard for present educational and research needs. Over 60% of UT's educational buildings are over 30 years old and at UTK almost 50% are over 50 years old. The Governor's budget recommends \$57,200,000 in new projects and \$14,530,000 for maintenance.

President Fly next talked about the difficulties UT faces as a result of under funding. He gave nine main areas that are suffering from the lack of funding:

1. UT is losing quality faculty and staff and is limited in its ability to attract new faculty.
2. Students are continually being asked to shoulder more of the burden through increased student fees, which further limits access to higher education to students with financial needs.
3. Specialized programs such as statewide agricultural, public health, and space institute programs are being severely hurt because these programs do not receive much funding from tuition and fees.
4. Facilities are deteriorating and classrooms (facilities and equipment) are becoming inadequate for instruction.
5. UT is having a hard time competing with other institutions for external funding for cutting edge research.
6. Any new funds from student fees are directed to operating costs, meaning that priority needs are still not being funded.
7. Tennesseans' opportunities to further their education, vital in the knowledge based 21st century, are being limited by the rapidly growing expense of attending college.
8. Tennessee's economic development is being compromised, as UT is a major contributor to all sectors of Tennessee's economy.
9. Tennessee is losing its best and brightest students to out-of-state schools because our tuition rates are becoming less competitive.

President Fly ended his remarks with areas that display UT's accomplishments towards achieving its mission.

- Every eligible academic program is accredited.
- Student licensure exam pass-rates exceed 90%.
- UTK undergraduate students have a graduation rate that is 5% higher than predicted.
- Full-time faculty members teach 80% of UTM classes.
- UTC has increased enrollment of African American students by almost 80% from the 1990's.
- UT is also working hard to attract the best high school graduates in Tennessee. The average ACT and GPA for enrolling freshmen are steadily growing higher.
- Finally, UT is using student technology fees to become a model in the use of information technology. The new accounting system helps to reduce paper flow and processing time, which reduce administrative costs. UTK will be the first major campus to be wireless capable by this summer.

Chancellor Charles Manning of the **Tennessee Board of Regents** gave the following highlights of the TBR budget request for 2002-2003.

* The total request submitted for TBR is \$704,987,400, a 6.81% increase from last year's request. *(Governor's budget includes \$627,251,900)*

* \$660,764,200 is requested for TBR university, community college, and technology center formula units. *(Governor's budget includes \$588,483,200)*

* ETSU College of Medicine and Family Practice is requesting \$33,373,300, a decrease of 1.2% from last year. *(Governor's budget includes \$29,318,600)*

* \$1,200,000 for TSU McMinnville and \$1,800,00 for TSU Ag. Extension is requested *(Governor's budget includes \$600,000)*

* A share of the THEC recommended \$30,000,000 for instructional and research equipment would go to TBR schools. *(Governor's budget includes \$10,000,000)*

* THEC recommends \$20,000,000 for technology initiatives and \$10,000,000 for faculty retention and recruitment, a portion of each going to TBR. *(Governor's budget includes \$24,312,000 for a 3.5% salary increase and a share of \$10,000,000 for retention and recruitment.)*

* TBR would receive \$10,000,000 of the THEC recommended \$25 million for research initiatives. *(Governor's budget includes \$5,000,000)*

* THEC recommends \$69,130,000 in capital outlay and \$100,000,000 in capital maintenance for TBR schools. *(Governor's budget includes \$70,110,000 in capital outlay, \$14,000,000 capital outlay for Geier, and \$22,880,000 for capital maintenance.)*

Dr. Manning next addressed the problems faced by TBR schools due to the lack of funding they have experienced over the past several years. First, the 15% tuition increase last year was among the highest in the nation and more than twice the national average. These increases have moved the costs of attending a TBR school higher than the cost of attending peer institutions and above the southeastern region average. The student demand for courses out paces the available full and part-time faculty needed to offer the courses. Many schools have waiting lists for courses, and at times students take longer to complete degrees because they have to wait for a course to be offered. TBR cannot properly maintain facilities and many buildings are beginning to deteriorate. The standard for capital maintenance per square foot per year is \$2.00, but is currently funded at \$0.50 per square foot. In addition to the deterioration of current buildings, TBR cannot afford to build, new and greatly needed buildings, which places academic programs in risk of losing accreditation.

In closing Dr. Manning shared with the committee ways in which TBR was accountable and working towards its mission statement. TBR graduates close to 25,000 students and is committed to raising the educational levels of Tennesseans. TBR has issued report cards in 1997, 1998, 1999, and 2001. Every year TBR performs a cost study to look at the costs of programs, faculty productivity, and faculty work load. Each of the TBR schools has a strategic plan with benchmarks in place to measure their success.

Following the presentations, each of the higher education leaders entertained questions from the committee.

Department of the Military

Thursday, March 7, 2002

Shannon Romain

On March 7, the Military Department of Tennessee testified during the budget hearings. The Department reported a 6% decrease in funding since 1995 and informed members that, in the current "no new revenues" environment, continued cuts coupled with a consistent lack of improvements could result in the closing of facilities across the state, the loss of resources to other states, and increases in the number of students that attend post-secondary in other states that offer greater educational benefits.

Improvements total \$2,088,100 of which \$1,368,500 are state dollars.

	ACTUAL	ESTIMAT	BASE	IMPROVEME	RECOMMEN
Full- Time	395	395	395	10	405
Part- time	0	0	0	0	0
Seasonal	12	12	12	0	12
Total	407	407	407	10	417
Payroll	13,544,600	16,913,200	16,878,30	283,500	17,161,800
Operational	36,553,100	24,590,400	24,484,40	1,804,600	26,289,000
Total	\$50,097.70	\$41,503,600	\$41,362.7	\$2,088,100	\$43,450,800
State	10,123,900	7,984,100	7,930,400	1,368,500	9,298,900
Federal	38,614,500	32,120,500	32,045,50	719,600	32,765,100
Other	1,359,300	1,399,000	1,386,800	0	1,386,800

Recommended Improvements FY 2002-2003

	STATE	FEDERAL	OTHER	TOTAL	
341.01	ADMINISTRATION				
	Recruiting Scholarships	250,000		250,000	
	Information Systems	187,100		187,100	
341.02	ARMY NATIONAL				
	Telephone lines at 76	150,000		150,000	
	Distance Learning Center		182,400	182,400	
	Energy Management		88,400	88,400	2
341.03	AIR NATIONAL GUARD				
	Maintenance/Utilities for	103,400	398,800	502,200	8
	Airport Joint Use Agreement	28,000		28,000	
341.04	TEMA				
	Maintenance of TEMA	100,000		100,000	
341.07	ARMORIES				
	Maintenance of armories	500,000		500,000	
341.10	ARMORIES UTILITIES				
	Utilities	50,000	50,000	100,000	
	TOTAL MILITARY	\$1,368,50	\$719,600	\$0	\$2,088,100

The Department briefly discussed the effects of the 9/11 attack on Tennessee's military resources and readiness. The greatest impacts were a \$250,000 shortfall in fees from the rental of armory facilities and an increase in departmental expenditures to pay the private citizens hired to replace the deployed military personnel that normally guard and secure state armories and facilities.

The Tennessee Emergency Management Agency (TEMA) is responsible for directing and assisting state and local governments in the event of natural or man-made disasters. Its purpose is to warn of possible disasters and to protect the life and property of Tennesseans.

Tennessee Emergency Management Agency

	ACTUAL	ESTIMAT	BASE	IMPROVEME	RECOMMEN
Full- Time	81	81	81	0	81
Part- time	0	0	0	0	0
Seasonal	0	0	0	0	0
	81	81	81	0	81
Payroll	3,256,200	3,734,100	3,734,100	0	3,734,100
Operational	3,520,200	5,105,100	5,105,100	100,000	5,205,100
	\$6,776,400	\$8,839,200	\$8,839,20	100,000	8,939,200
State	1,394,000	1,487,700	1,487,700	100,000	1,587,700
Federal	4,901,800	6,659,000	6,659,000	0	6,659,000
Other	480,600	692,500	692,500	0	692,500

The following is a list of funding sources for the agency. The agency may also receive funding under a presidential declaration of major disasters. Each county in the state must fund 25% of the total cost of the disaster to receive the 75% federal match dollars. In the event the disaster affects more than one county, each county must be able meet the 25% match or all affected counties forfeit the relief funds.

1. Emergency Management Performance Grant

FY 2002 Allocation: \$1,157,400/\$1,157,400 and local Pass-thru \$1,015,000/\$1,015,000

Source: FEMA

Share: 50% Federal /50% State and Pass-thru 50% Fed/50% State

2. Tennessee Valley Authority

FY 2002 Allocation: \$1,050,000

Source: TVA

Share: 100% Federal

3. Department of Energy

FY 2002 Allocation: \$726,000

Source: DOE

Share: 100% Federal

4. Hazardous Materials Emergency Planning

FY 2000 Allocation: \$96,225/\$24,060 (planning)

Source: U.S. Department of Transportation

Share: 80% Federal/20% Local-State

5. Emergency Management Hazardous Materials Program

FY 2002 Allocation: \$6,000

Source: FEMA

Share: 100%

5. Terrorism

FY 2002 Allocation: \$329,000

Source: FEMA

Share: 100% Federal

6. Terrorism

FY 2002 Allocation: \$1,576,000

Source: U.S. Department of Justice

Share: 100% Federal

TBI - Tennessee Bureau of Investigation

Thursday, March 7, 2002

Paige Edwards

Mr. Larry Wallace, director of the Tennessee Bureau of Investigation (TBI), addressed the Finance Committee on March 7, 2002.

He began his remarks by responding to Chairman Kisber's request to discuss how TBI would be affected by budget cuts with no new revenue appropriated for the upcoming fiscal year. Mr. Wallace explained that TBI is a support agency for the entire criminal justice system. He emphasized that cuts in TBI's budget would cause turmoil in the criminal justice system because TBI would not be able to investigate efficiently. In effect, the crime labs would become backlogged due to a lack of personnel and equipment to conduct investigations. He also urged the Finance Committee to consider the impact on public safety if TBI experiences budget cuts in the upcoming fiscal year. He explained that there should be no reason to cut TBI's budget because of the statutory responsibilities that are placed on the agency.

Mr. Wallace provided a detailed budget proposal that included **\$3, 969,600 in improvements**. He indicated that TBI needs **additional forensic scientists, additional agents in the TBI Drug Division, and additional agents and analysts in the TBI Criminal Intelligence Unit**.

I. Additional Forensic Scientists (\$1,288,200)

First, TBI needs 22 additional Special Agent Forensic Scientists. Essentially, these additional positions are needed to alleviate the backlog in TBI's Forensic Services Division that is comprised of a central crime laboratory in Nashville and regional laboratories in Jackson, Chattanooga, Knoxville, and Memphis. These forensic scientists will assist TBI to provide timely forensic examination and analysis of criminal evidence for district attorneys, law enforcement and medical examiners statewide. The following chart shows the assignments of the additional forensic scientists to the appropriate crime laboratories:

<u>Number of Forensic Scientists</u>	<u>Forensic Discipline</u>
5	Toxicology
7	Drug Chemistry
4	Serology/DNA
2	Latent Prints
2	Firearms Identification
2	Microanalysis

Mr. Wallace attributes the backlog in TBI's Forensic Services Division to technological advances in the forensics area. He stated that the need for additional Special Agent Forensic Scientists is needed because the number of tests on evidence has increased by 500 per cent. Likewise, TBI's Forensic Services Division is internationally accredited and has to meet stringent criteria in order to remain accredited.

In the future, this improvement request will provide TBI with the needed personnel resources to accomplish a turn-around-time for the examination of forensic evidence of no more than 30 days. Also, this improvement request will provide expeditious adjudication of cases.

II. Additional agents in the TBI Drug Division (\$1,473,500)

Second, TBI needs nine Clandestine/Methamphetamine Drug Special Agents. The TBI Drug Investigation Division is neither sufficiently equipped nor staffed to effectively deal with problems associated with the illegal manufacture of methamphetamine. In 2001, 353 methamphetamine labs were seized in Tennessee. During the presentation, Mr. Wallace stated that methamphetamine use is an epidemic in rural areas. Also, Mr. Wallace indicated that children are exposed to methamphetamine labs.

Presently, the TBI Drug Investigation Division has 42 special agents. Only nine agents are certified in accordance with the OSHA guidelines for investigating methamphetamine labs. The TBI has determined that 23 Special Agents have not received the required training to conduct methamphetamine lab investigations within the guidelines set out by OSHA. (This number excludes female agents because of the extreme risk of permanent damage to reproductive organs, especially in females.)

In the future, this improvement will enhance TBI's ability to provide drug investigation support to the sheriffs, chiefs of police, district attorneys and federal law enforcement agencies across the state. Also, this improvement will enable TBI to provide drug enforcement/undercover support to each judicial district across the state. Ultimately, TBI wants the ability to fulfill its role as the state's primary drug investigation agency. Therefore, additional personnel are needed, and the drug division's success will be shown by additional arrests, cases, seizures of contraband, and the forfeiture of money associated with illegal drug trafficking enterprises.

Mr. Wallace stated that several pieces of legislation have been drafted to address the illegal manufacture and distribution of methamphetamines. The following pieces of legislation are before the **House Judiciary Committee** concerning drug trafficking and the manufacture of methamphetamine:

- HB 2885 by Representative Ford adds "the knowing exposure of a child to or the knowing failure to protect a child from exposure to a methamphetamine lab" to the definition of severe child abuse.
- HB 2573 by Representative Buck creates a Class D felony offense of possessing ephedrine or pseudoephedrine with the intent to manufacture amphetamine or methamphetamine.
- HB 2574 by Representative Buck provides that a person commits the offense of criminal exposure to drug trafficking who manufactures, delivers, or sells a Schedule I or Schedule II substance, if at the time of the offense, such person was accompanied by a child under 13 years of age.
- HB 2575 by Representative Buck creates a Class D felony offense for a person to use or possess with the intent to use two or more objects that constitute drug paraphernalia in combination to make amphetamine or methamphetamine. It would be a Class C felony offense if the violation occurs on property open for public lodging.
- HB 2576 by Representative Buck creates a Class E felony offense for a person to possess a substance with the intent to manufacture a controlled substance or to convey the substance to another for manufacture of a controlled substance. This bill would not apply to persons licensed to dispense or prescribe a controlled substance.

III. Additional agents and analysts for the TBI Criminal Intelligence Unit (\$1,207,900)

Mr. Wallace began his discussion of the third improvement in conjunction with Homeland Security in Tennessee. He stated that TBI needs eight Criminal Intelligence Agents and six Intelligence Analysts for the TBI Criminal Intelligence Unit to investigate terrorist threats, especially since the terrorist attacks on September 11, 2001. He indicated that additional agents and analysts are needed to investigate foreign and domestic threats against the citizens of Tennessee. The additional agents and analysts would be stationed across the state for statewide intelligence investigations.

Presently, there are eight agents and five analysts who are assigned to the intelligence unit to investigate all types of criminal activity. The intelligence unit concentrates in the areas of organized crime, major offenders, fugitive apprehension, the registration of sexual offenders, traditional and emerging gangs, organized drug trafficking, and missing and exploited children. Also, the intelligence unit is the primary liaison with the Tennessee Emergency Management Agency.

In the future, these additional agents and analysts will enable TBI to acquire and disseminate better information to local, state, and federal agencies in order to reduce the possibility of a terrorist incident in Tennessee. Also, the additional personnel will aid district attorneys and related offices across the state. Mr. Wallace indicated that these new personnel positions could be in place with equipment within a few months, provided adequate funding.

IV. Conclusion

Mr. Wallace concluded his presentation with general concerns for TBI in the future. He stated that TBI has come a long way, but each year has become tougher to provide necessary investigations. He mentioned that TBI has obtained money from federal forfeiture cases to purchase crime scene trucks, aircraft, and surveillance equipment for investigations. Even with the new equipment and technology, Mr. Wallace emphasized that TBI is smaller than other agencies in the southeast. He urged the House Finance Committee to consider these improvements because Tennessee has the tenth highest crime rate in the United States, and there needs to be thorough investigation of crimes for public safety.

Also, Mr. Wallace encouraged the House Finance Committee to consider remedies for decreasing the turnover rate among TBI employees. Approximately 10 per cent of TBI employees accept positions with local law enforcement or private industry for better salaries.

In conclusion, he stated that TBI is doing the best it can with the available resources. Mr. Wallace emphasized that the three requested improvements are critical and cannot be disregarded.



Department of Safety **Thursday, March 7, 2002**

Greg Adkins

Denny King, the new Commissioner of the Department of Safety presented the House Finance Committee the department's budget. The recommended budget of the Department of Safety for Fiscal Year 2002-2003 will enable the department to provide the statutorily mandated law enforcement, driver licensing, and titling and registration services for the citizens of our state.

The commissioner answered the question "What if the legislature decreased the departments budget by 5%?"

He responded that the following three programs would need to be eliminated: (1) Driver Safety Education program, which includes the high school safety program, motorcycle safety, and the D.A.R.E program; (2) the Law Enforcement academy that trains local law enforcement; and (3) the police pay supplement for local law enforcement officers. He also stated that none of the improvements would be funded which could significantly impact the department's ability to perform its statutory duties.

Overall, Fiscal Year's 2002-2003 recommended Base Year Budget is \$145,152,700 or a 6.4% decrease from Fiscal Year's 2001-2002 Budget of \$155,012,950. Factoring out non-recurring amounts in FY 2001-2002, including \$6,642,000 in police pay supplements and \$2,887,900 for the new issue of license plates, FY's 2002-2003 Base Budget reflects zero growth over FY's 2001-2002 Budget.

Improvement funds of \$12,603,600 are recommended for the following programs:

1. To fund salary increases resulting from the annual commissioned officer salary survey pursuant to T.C.A. Title 4, Chapter 7, Part 2, effective July 1, 2002.	\$1,580,900
2. To fund the mandated annual trooper salary step increase pursuant to T.C.A. Title 4, Chapter 7, Part 2.	538,700
3. To continue full funding for the police pay supplement under the Police Officer Standards and Training (POST) program, pursuant to T.C.A. 38-8-111.	7,012,200
4. To provide funding to the Highway Patrol for the replacement of eight microwave links which will improve statewide radio communications between troopers and dispatch personnel, and funding for the replacement of one irreparable helicopter.	2,100,000
5. To provide funding for additional data processing requirements for both the Driver License Issuance and Title and Registration systems. This improvement will provide local area network (LAN) and wide area network (WAN) access to upgrade the data communication between the Driver License Issuance field offices and the central office. These funds also will provide LAN/WAN access to the county clerks to improve communications between the clerks and the Title and Registration Division.	837,500
6. To provide funding and five positions for the administration of the graduated drivers license law pursuant to Acts of 2000, Public Chapter 700. This law requires annual license renewals until age 18 based on a staggered licensing process that limits the times that a minor is allowed to operate a motor vehicle without the presence of an adult or guardian.	130,300
7. To provide funding for additional computer system changes required by Acts of 2001, Public Chapter 292, which mandates law enforcement personnel to verify driver insurance records.	80,000
8. To provide funding for two school bus inspector positions and related equipment to comply with new federal Head Start vehicle inspection regulations and with the 1999 state law requiring inspection of school vans. The current staff of 10 inspectors cannot adequately conduct all the inspections resulting from the new state law and federal rules.	124,000
9. To provide additional funding for an increased number of motor vehicle title and registration forms issued by county clerks.	200,000
TOTAL	<u>\$12,603,600</u>

The total recommended budget, including the improvements listed above, is \$157,756,300, or a 1.8% increase over the total FY 2001-02 budget, and an 8.7% increase over the recurring FY 2001-02 budget. However, factoring out the statutorily mandated salary increases of \$2,119,600 for commissioned officers, and \$6,642,000 in police pay supplements which was funded as non-recurring in FY 2001-02, the proposed budget reflects an effective increase of 2.6% over the current year's recurring budget.

In addition to the operational budget, funds of \$1,100,000 are recommended to replace two (2) communication towers, one (1) at Crestview in Lawrence County and one (1) in Memphis. These towers are in excess of 40 years old and are in a constant state of repair. Engineering consultants have indicated that the towers are structurally unsound and need to be replaced. The tower in Memphis is located in a heavily populated area, right behind the Memphis Fourth District THP Headquarters, and adjacent to several businesses.

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For Additional Information,
Contact The House Research Division at 741-3025.